G.R.S. IX—5]

Previous references. 1923-24 (Gy. H.) File No. 213-2

Serial Nos. 1

Later references.

G.2-173-32 (1-6)
G 7-39-6 to 8.

Preserve
6.11.43

p.9(E)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. (

Part B for April 1924.

SUBJECT

re submission of a periodical report of the Rly: Dept: of the results of Audit conducted month after month in the Auditor's offi

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To. The Auditor Mysore Rly.
Comptr.
Secy: to Govt. Rly: Dept.
Agent Mysore Rly.

Vide F.C: S-726-90 of 17-4-1924.

Keep down certain fees to for the submission of the above.

21/4/24

Dewan's order.-

The existing procedure according to which the Audit Department reports to Government the results of audit of transactions of all departments may be reviewed and how it can be improved, suggested.

On studying this question, I find that it will be more convenient to deal with the different departments in separate notes. The attached files deal with the procedure now obtaining in the case of the different departments in reporting the objections arising out of the audit of their transactions and the action taken by the several departments of Government when the objections are reported to them. Wherever the existing arrangement is not satisfactory, I have suggested how it might be improved. The opinions of the Comptroller and of the Administrative Departments of Government may be ascertained before final orders are passed.

Government order dated 5th October 1918 prescribed the following returns to be rendered by the Comptroller to Government in the Finance Department:-

(1) A quarterly report dealing with important irregularities discovered in the course of audit of the accounts of all departments and of Local Bodies.

(2) An annual statement showing the Treasuries, Divisions and Offices including the Municipal and District Fund Offices inspected with a brief account of the nature of serious irregularities brought to notice and the general condition of initial accounts.

(3) An annual confidential report noting the names of officers in charge of each office having cash or stores transactions, and remarks as to how initial registers and accounts are maintained

Samples of these reports are put up. The quarterly statements of objections of all kinds and of all departments were voluminous and the orders passed on them show that no use was really made of the statements. The orders issued noticed only

only that the return was not completely or punctually sent and did not go into the details of the objections at all. I found that it was not possible for Government in the Finance Department to pass orders on the objections reported in these statements without consulting the respective departments of Government and I accordingly arranged to send extracts of the statements to them but as the extracts fetched no replies for long periods, even this procedure of dealing with these reports was not successful. Latterly, the returns are not being sent by the Comptroller.

The defect of the arrangement sanctioned in the order of 5th October 1918 consists in its requiring the Finance Department to deal with objections which can be satisfactorily dealt with only by the respective Administrative Departments of Government, which alone being in close touch with the operations of the executive departments concerned can appreciate the significance of the objections taken by the Comptroller and pass appropriate orders. Any arrangement which either makes two Departments (→ the Finance & the Administrative Departments ←) responsible for the remedying of objections or which detracts from the responsibility of the Administrative Departments cannot make for efficiency. The Finance Department can only keep a general watch ~~xxxx~~ over the financial orderliness of transactions of all departments and to enable it to perform this work, the Administrative Departments should consult it in matters of importance, and the Audit Department should specially bring such matters to its notice. Normally the work of remedying objections has to be attended to by the respective departments and reports of objections should be addressed to them.

The annual return in which a brief account of the serious irregularities and of the general condition of initial accounts are required to be reported is a document of vague statements about irregularities and initial records and no useful action

action can be taken on them. If orders of Government should be passed on any matter, full facts about it should be placed before them. It will be seen from column 7 of this return that it is not possible to issue any useful instructions or pass any orders on the material contained in it.

As for the confidential report which is expected to show whether the work of administration, on the side of accounts, of offices inspected is satisfactory or not, it contains only one or two words like "satisfactory" or "satisfactory barring some irregularities" or "not satisfactory" and it gives no idea of the condition of accounts. The form prescribed by the Government order dated 5th October 1918 requires only brief notes regarding state of accounts to be given in a column of tabular statement and such notes cannot enable Government to pass any orders of value.

The whole arrangement prescribed in the Government order of the 5th October 1918 has not worked properly and calls for revision. How the procedure in respect of each department may be improved, I have suggested in the files placed below.

Dewan) (Id) M.N.K.
23-2-1924.

I generally agree. I have passed orders on each file. I think a general order is necessary revising the ~~xxx~~ Government Order of 1918.

(Id) A.R.B.
1-3-1924.

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RAILWAY DEPARTMENT.

1 In the case of this Department, there is first the Central audit conducted in the Auditor's Office and then the local audit in the offices of the different Departments of the Railway Administration. The central audit is wholly pre-audit and accordingly, the number of objections in this Department is not so large as it under the post-audit system.

2 Under para 78 of the Railway Audit and Account Code, Volume I, the Auditor is required to send half-yearly Objectionable Item Statements to the District or Divisional Officers. These latter should submit them with their explanations to the Heads of their Departments who, in their turn, should send them to the Agent who finally returns them to the Audit Office with his own remarks. There is no provision under the existing procedure for any periodical report to Government in the Railway Department of the results of audit as conducted month after month in the Auditor's Office. The system of special reports however prevails, but such reports are occasional and deal with only matters of exceptional importance. Whether the objections taken in audit in the usual course receive sufficient attention on the part of the Departmental Officers or not is a point on which it is desirable for Government to get a periodical report from the Auditor. I would, therefore, suggest that the

Auditor

E—Contn sheet.

Serial No.

Auditor be required to submit to Government in the Railway Department, a quarterly report of points raised in audit which, in his opinion, are of sufficient importance to be reported for the information of Government or are such as to require their orders.

3 As in the case of the Civil Departments, financial irregularities which the Auditor proposes to mention in the annual Audit and Appropriation Report should also be brought to the notice of Government as soon as such points are noticed by him. These reports are required with the *object that Government may take the necessary action for remedying the objections* raised and also that the orders passed by them may be noted in the annual report by the Auditor along with the record of objections themselves.

4 The results of local inspections are reported to Government in the Railway Department but the existing procedure does not appear to be uniform as to whether the whole report should be sent to them or only extracts of points considered to be of sufficient importance by the Auditor to be brought to the notice of Government. I do not think it is necessary to send to Government the whole report. It is enough if only such points as call for their orders are reported to Government. It is presumed that these reports or extracts are submitted to the Dewan or Member in charge

3214/R

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G. R. S. III-2]

General and Revenue Secretariat. | G 7 File No. 213 of 1923

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charge of the Railway Department before final orders are passed on them and communicated to the Auditor.

Dewan)

Mull 28/2/24 mad

OFFICE OF THE AGENT 21 MAR 1924 SOUTHERN RAILWAY

17302 Dewan's order

" A draft may be put up on the above lines and sent to the Agent for favour of opinion."

Take 21/3/24

H.W.-C-161-23

Forwarded accordingly to the Agent with compts for favour of opinion

Draft is placed below)

Mull 21.3.24

21/3/24

M.O. 421 3/4/24 E.I.Cons.

The objections before they are reported to Government should ordinarily be brought to the notice of the Agent. While reporting to Government the more serious irregularities, the remarks of the Agent should be communicated to Government (vide para 79, Ry.Audit Code, Vol.I, page 27).

31496

According to the Code, the submission of such a return to Accountant General, Railways, (corresponding to Financial Secretary, in our case) is half yearly and not quarterly.

GEN'L. BRCH. Rs. 4 APR 1924 NOTE—C... sheet. G. R. SECTION

Gty 2/4/24 Financial Secretary

3/4/24

P.T.O.

mad 4/4/24

3214
2

G. R. S. III-2]

General and Revenue Secretariat. | GT File No. 213 of 1924

Serial No.

DEWAN'S OFFICE,
RECD. 7 / 7 1924
Reg. No. 7266.

I have completed the draft to make clear the point mentioned in para 1 of the Fy Secy's note:-

The officer here corresponding to Accts General Rys in British India, is the Comptr and not the Financial Secy.

The similar report to Accts Rys in British India is half yearly but here I think the report to Govt had better be quarterly until the habit of paying prompt attention to audit points is established.

This is one of the cases relating to improving the procedure for keeping Govt informed of results of audit and of the attention which they receive on the part of Departmental officers and the draft may be approved. The other cases relating to Civil and P.W. Depts have been referred to the Comptr and the P.W. Secy under the Dewan's orders.

Dewan)

7.4.24

Approved.

A. & Sec. 13/4

13/4

NOTE—Contn. sheet.

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General and Revenue Secretariat.

G. P. File No. 213 of 19 23.

Serial No.	
1	No PL 5726-9 dt 17-6-23 re letter Director, Mysore Dept, Comptr, Dy Comptr & Asst, Mysore Dept, laying down certain rules for the proper report to Govt, & for transfer restrictions etc of the Dy Depts

NOTE—Contn. sheet.

G.F. 213. 23-16

Proceedings of the Government of His Highness the Maharaja of Mysore.

Order No. F.S. 7216-9

Dated, Bangalore, the 17th April 1924.

Under the existing procedure, no periodical report is submitted to Government in the Railway Department of the results of audit as conducted month after month in the Auditor's Office. Whether the objections taken in audit in the usual course receive sufficient attention on the part of the Departmental Officers is a point on which it is necessary for Government to get a periodical report from the Auditor. The Auditor will submit, commencing from January 1924, a quarterly report of points raised in audit which, in his opinion, are of sufficient importance to be reported for the information of Government or which are such as to require their orders. Financial Irregularities which the Auditor proposes to mention in the annual Audit and Apprpriation Report should be brought to the notice of Govt. in the Finance Department, through the Comptroller as soon as such points are noticed by the Auditor. As regards Local Inspections conducted by the Auditor or his Assistants, important points noticed in the course of such inspections should be brought to the notice of Government in the Railway Department.

This report will relate to objections after they have been dealt with under para 78 of the Ry Audit and Account Code Vol I and will should contain the remarks of the Agent in regard to the irregularities brought to the notice of Govt.

To

The Auditor, Mysore Rys.
" Comptroller to Govt.
" Secretary to Govt., Ry. Deptt.
" Agent, Mysore Rys.

Pencil 22/7/24

Fl. Secretary to Govt:

Print & treat as SO. 16/4/24